

1 SENATE BILL NO. 173

2 INTRODUCED BY MCNUTT

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4 A BILL FOR AN ACT ENTITLED: "AN ACT MODIFYING THE PROCESS FOR DETERMINING THE
5 DEFINITION OF "SERVICE AREA" FOR FEDERAL UNIVERSAL SERVICE SUPPORT FOR RURAL
6 TELEPHONE COMPANIES; AMENDING SECTION 69-3-840, MCA; AND PROVIDING AN IMMEDIATE
7 EFFECTIVE DATE."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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11 **Section 1.** Section 69-3-840, MCA, is amended to read:

12 **"69-3-840. Determination of eligible carrier status -- universal service support.** (1) The commission
13 is authorized to designate telecommunications carriers as eligible for federal universal service support, in
14 accordance with 47 U.S.C. 214(e)(1) and 47 U.S.C. 254, and for any Montana universal service funds. This
15 authorization applies to all telecommunications carriers notwithstanding the carrier's exemption from further
16 regulation by the commission.

17 (2) Upon the petition of a telecommunications carrier, or upon its own motion, the commission shall
18 designate a telecommunications carrier that meets the requirements of 47 U.S.C. 214(e)(1) as an eligible
19 telecommunications carrier for a service area designated by the commission. In the case of an area served by
20 a rural telephone company, the term "service area" means the company's "study area" for federal universal
21 service support unless the federal communications commission and the commission, after taking into account
22 recommendations of a federal-state joint board instituted under 47 U.S.C. 410(c), ~~establishes~~ establish a
23 different definition of service area for the company. The term "service area" for all other telecommunications
24 carriers means a geographic area, such as a census block or grid block, as established by the commission for
25 the purpose of determining federal universal service obligations and support mechanisms.

26 (3) Upon receiving a petition from a telecommunications carrier and consistent with the public interest,
27 convenience, and necessity, the commission may, in the case of an area served by a rural telephone company,
28 and shall, in the case of all other areas, designate more than one telecommunications carrier for a service area,
29 so long as each additional requesting telecommunications carrier meets the requirements of 47 U.S.C. 214(e)(1).
30 Before designating an additional eligible telecommunications carrier for an area served by a rural telephone

1 company, the commission shall find that the designation is in the public interest.

2 (4) If no telecommunications carrier will provide the services that are supported by universal service
3 support mechanisms under 47 U.S.C. 254(c) to all or a part of an unserved community that requests service,
4 the commission shall determine which telecommunications carrier is best able to provide the service to the
5 requesting unserved community. Any telecommunications carrier ordered to provide service under this section
6 shall meet the requirements of 47 U.S.C. 214(e)(1) and must be designated as an eligible telecommunications
7 carrier for that community or the unserved portion of the community.

8 (5) The commission shall permit an eligible telecommunications carrier to relinquish its designation as
9 an eligible telecommunications carrier in any area served by more than one eligible telecommunications carrier.
10 An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation
11 for an area served by more than one eligible telecommunications carrier shall give advance notice to the
12 commission of the relinquishment. Prior to permitting a telecommunications carrier designated as an eligible
13 telecommunications carrier to cease providing universal service in an area served by more than one eligible
14 telecommunications carrier, the commission shall require the remaining eligible telecommunications carrier to
15 ensure that all customers served by the relinquishing carrier will continue to be served and shall require sufficient
16 notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications
17 carrier. The commission shall establish a time, not to exceed 1 year after the commission approves
18 relinquishment under this section, within which the purchase or construction must be completed."

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20 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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